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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054201
Party	Defendant Sleep Innovations, Inc.
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Date	01/17/2014
Attachments	Reply Brief in Support of Cross-Motion to Quash.pdf(230717 bytes ) Reply Declaration of Irene M. Hurtado with Exhibits A-C.pdf(3583753 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,916,902  
For the Mark: BODIPEDIC (& Design)  
Registration Date: February 8, 2011

DAN FOAM APS	)	Cancellation No. 92054201
	)	
Petitioner,	)	
	)	
v.	)	
	)	
SLEEP INNOVATIONS, INC.,	)	
	)	
Registrant.	)	

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**REGISTRANT’S REPLY BRIEF IN SUPPORT OF CROSS-MOTION TO QUASH**

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## **PRELIMINARY STATEMENT**

Registrant Sleep Innovations, Inc. (“Registrant”) submits this reply brief in support of Registrant’s Cross-Motion to Quash the Notice of Deposition of Jane Martin for failure to disclose Ms. Martin in Petitioner’s Pretrial Disclosures, Motion for a Protective Order Pursuant to Rules 26(c)(1)(B) and 32(a)(5)(A) of the Federal of Civil Procedure, and to Stay Proceedings Pending a Decision on the Motion and Cross-Motion (the “Cross-Motion”). Those portions of the Cross-Motion that sought a protective order and a stay of proceedings are moot as a result of the Board’s January 5, 2014 Order, which held that Ms. Martin’s deposition would not go forward on January 6, 2014 and also suspended these proceedings pending a decision on Petitioner’s Motion<sup>1</sup> and the Cross-Motion, and are not further addressed herein<sup>2</sup>.

Registrant’s Cross-Motion should be granted because Petitioner’s failure to disclose Ms. Martin as a witness in its Pretrial Disclosures was not “justified,” and the record clearly contradicts Petitioner’s claim that it did not “discover” the “relevance of Ms. Martin’s consumer interactions with Overstock.com . . . until recently.” Petitioner’s latest effort to explain its failure to disclose Ms. Martin in supplemental Initial Disclosures or in Petitioner’s Pretrial Disclosures is just as disingenuous as its initial unsupported explanation. In its decision on Petitioner’s Motion for Summary Judgment and Registrant’s Cross-Motion for Summary Judgment (the “Summary Judgment Decision”), dated May 13, 2013, the Board clearly held the Compilation to be “of little probative value in the absence of testimony from the customers themselves as to whether they were confused and, if so, what caused their confusion.” Hurtado Reply Decl., Ex. A at page 12

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<sup>1</sup> All terms previously defined in Registrant’s Brief in Opposition to Petitioner’s Motion and in support of the Cross-Motion are used herein without further explanation.

<sup>2</sup> Registrant notes that Petitioner’s statement that Registrant made no effort to meet and confer prior to moving for a protective order is not accurate. See Reply Declaration of Irene M. Hurtado (“Hurtado Reply Decl.”), ¶ 3 and Exhibit B. Registrant emailed Petitioner to object to the lack of adequate prior notice of Ms. Martin’s deposition

(emphasis added). Accordingly, Petitioner's claim that it did not have reason to know until after the Overstock.com deposition that it needed to depose the individuals identified in the Compilation strains credibility.

## **ARGUMENT**

### **I. Petitioner Had An Obligation To Disclose Ms. Martin In Supplemental Initial Disclosures and In Its Pretrial Disclosures And Its Failure To Do So Was Neither Substantially Justified, Nor Harmless.**

The rules governing discovery and pretrial disclosures in proceedings before the Board are clear, as are the cases interpreting and applying those rules. Petitioner had an obligation to disclose Ms. Martin in supplemental Initial Disclosures and in its Pretrial Disclosures if it intended to take and rely upon her testimonial deposition in this proceeding. See *Carl Karcher Enterprises, Inc. v. Carl's Bar & Delicatessen, Inc.*, 98 U.S.P.Q. 2d 1370, 1372 n.4 (TTAB 2011); see also *Jules Jurgensen/Rhapsody, Inc. v. Peter Baumberger*, 91 U.S.P.Q. 2d 1443 (TTAB 2009); *Spier Wines (PTY) Ltd. v. Ofer Z. Shepherd*, 105 U.S.P.Q. 2d 1239, 1242 (TTAB 2012). Failure to disclose witnesses in pretrial disclosures can result in an order precluding a party from using that information or witness at trial, "unless the failure was substantially justified or is harmless." *Spier Wines (PTY) Ltd.*, 105 U.S.P.Q. 2d at 1242 (quoting Fed. R. Civ. P. 37(c)(1)). Notably, Petitioner's "obligation to serve initial, expert and pretrial disclosures are independent requirements of the [Trademark Rules]," and not ones "that can be ignored simply because some information about a testifying individual may be known to the adverse party or parties." *Jules Jurgensen/Rhapsody, Inc.*, 91 U.S.P.Q.2d at 1445; see also *Spier Wines (PTY) Ltd.*, 105 U.S.P.Q. 2d at 1243.

Applying the factors set forth in *Great Seats, Inc. v. Great Seats, Ltd.* to this matter, it is

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and further suggested a joint call to the Interlocutory Attorney assigned to the proceeding. Petitioner ignored that email and never responded. *Id.*

clear that Petitioner's failure to disclose Ms. Martin as a witness in supplemental initial disclosures or in its Pretrial Disclosures was neither substantially justified nor harmless. See *Great Seats, Inc. v. Great Seats, Ltd.*, 100 U.S.P.Q. 2d 1323, 1327 (TTAB 2011) (Board considers following factors in deciding if failure to disclose was substantially justified or harmless: "1) the surprise to the party against whom the evidence would be offered; 2) the ability of that party to cure the surprise; 3) the extent to which allowing the testimony would disrupt the trial; 4) importance of the evidence; and 5) the non-disclosing party's explanation for its failure to disclose the evidence.").

The first and second factors weigh in Registrant's favor. Petitioner's failure to identify Ms. Martin in its Initial Disclosures, any supplemental disclosures or its Pretrial Disclosures did indeed result in surprise to Registrant. See *Spier Wines (PTY) Ltd.*, 105 U.S.P.Q. 2d at 1244. As a result of Petitioner's failure to supplement its initial disclosures or discovery responses to identify Ms. Martin as a person with discoverable information upon whom Petitioner might rely to support its claims, Registrant did not have the opportunity to take discovery as to Ms. Martin. Registrant's inability to do so was directly caused by Petitioner's failure to satisfy its disclosure obligations as to Ms. Martin, and cannot be attributed to any inaction by Registrant. See *Spier Wines (PTY) Ltd.*, 105 U.S.P.Q. 2d at 1243.

Petitioner continues to blithely and incorrectly assert that Registrant will not be prejudiced because Registrant will have the opportunity to "cross-examine Ms. Martin during Ms. Martin's testimony deposition" and "to call Ms. Martin as a witness during its own testimony period." This assertion evidences a lack of comprehension of the significant differences between a discovery deposition and a testimonial deposition. See TBMP § 404.09. First, the scope of Registrant's cross-examination will be limited by the scope of Petitioner's

direct examination. Petitioner's erroneously contends that such limited scope will not result in prejudice to Registrant because Ms. Martin's testimony is relevant to the "sole" issue of actual confusion and that Petitioner will examine Ms. Martin on this topic, thereby affording Registrant the ability to effectively question Ms. Martin. Petitioner's Opposition at 9 n. 5. Registrant, however, has the right to question Ms. Martin about other issues that are not within the scope of a direct examination on the "sole" issue of actual confusion, such as the history and substance of all of Ms. Martin's communications with Petitioner and/or Petitioner's counsel, Ms. Martin's general familiarity with trademarks, her buying habits, the care and attention Ms. Martin pays to purchases that she makes, Ms. Martin's familiarity with Overstock.com's website, the frequency of Ms. Martin's on-line purchases, and Ms. Martin's visual perceptions, among others.

In addition, Petitioner ignores the reality that if Registrant cross-examines Ms. Martin or deposes her during Registrant's testimony period, such testimony, in its entirety, will become part of the record, regardless of the substance of that testimony. See TBMP § 404.09. Registrant would be placed at risk of eliciting testimony on the record that is damaging, without the opportunity to explore the nature and substance of Ms. Martin's testimony in a discovery deposition and thereafter determine, based upon that testimony, what, if any, questions to ask Ms. Martin during the testimony period. This will result in clear prejudice to Registrant.

Petitioner's continued assertion that Registrant had notice of Ms. Martin's existence and therefore cannot complain that it is surprised by Petitioner's sudden effort to take Ms. Martin's testimony deposition is flawed and ignores that Petitioner's disclosure obligation is an independent requirement of the Trademark Rules. See *Jules Jurgensen/Rhapsody, Inc.*, 91 U.S.P.Q.2d at 1445; see also *Spier Wines (PTY) Ltd.*, 105 U.S.P.Q. 2d at 1243 (obligation to serve pretrial disclosures is independent and cannot be ignored simply "because some

information about a testifying individual may be known to the adverse party or parties.”). In addition, the Compilation is 85 pages, includes numerous purported customer communications, and provides the full name and address or other contact information for at least 29 individuals. Absent a disclosure by Petitioner that it was relying upon any particular individual identified in the Compilation as a witness, Registrant has no obligation or incentive to depose each of these purported customers. Furthermore, Ms. Martin’s testimony purportedly bears on the issue of likelihood of confusion. Petitioner, not Registrant, bears the burden of proving likelihood of confusion in this proceeding. It makes little practical sense to suggest that Registrant had an obligation to depose Ms. Martin in the absence of any designation by Petitioner of Ms. Martin as a person with discoverable information upon whom Petitioner might rely or as a trial testimony witness.

The third factor also weighs in Registrant’s favor. Allowing the deposition of Ms. Martin at this juncture undoubtedly will disrupt the trial. Registrant is entitled to take a discovery deposition of Ms. Martin and to conduct other discovery relating to Ms. Martin. If the Board permits Petitioner to amend its Pretrial Disclosures and take Ms. Martin’s testimony deposition, Registrant requests that discovery be reopened for the limited purpose of allowing Registrant<sup>3</sup> to depose Ms. Martin and conduct any follow-up discovery Registrant requires as a result of Ms. Martin’s testimony and Petitioner’s belated designation. Such additional discovery will disrupt the currently-scheduled trial.

The fourth factor also weighs in favor of Registrant. Even if Ms. Martin testifies that she was confused as a result of Registrant’s BODIPEDIC & Design trademark, which is the subject

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<sup>3</sup> Registrant respectfully submits that Petitioner should not be permitted to take any further discovery in the event that the Board grants Petitioner’s Motion and affords Registrant the opportunity to depose Ms. Martin and conduct related discovery. If the Board resets the trial periods, Registrant further requests that Petitioner only be permitted

of this proceeding, Ms. Martin would be the sole witness on this issue. A single instance of consumer confusion is not persuasive evidence of a likelihood of confusion. “[O]wnership of a trademark does not guarantee total absence of confusion in the marketplace.” *Scott Paper Co. v. Scott’s Liquid Gold, Inc.*, 589 F.2d 1225, 1231 (3d Cir. 1978) (noting 19 instances of “confusion” over period of four years insufficient to establish likelihood of confusion). As such, Ms. Martin’s testimony, standing alone, is not sufficiently important to Petitioner’s case. In addition, the alleged importance of Ms. Martin’s testimony is but one of five factors to be considered, and it should not weigh heavily in Petitioner’s favor, particularly because Petitioner has created this situation by its own conduct.

The fifth and final factor weighs decidedly in favor of Registrant. Petitioner, despite two attempts at crafting an excuse, has failed to come forward with a plausible explanation for its failure to identify Ms. Martin in supplemental initial disclosures or in its Pretrial Disclosures. Petitioner has plainly known Ms. Martin’s identity since February 10, 2012 and has had the full substance of Ms. Martin’s purported communication with Overstock.com as of that same date. Petitioner’s Motion for Summary Judgment directly refutes Petitioner’s explanation made in its Motion and, indeed, completely discredits that explanation.

Petitioner’s persistence in asserting that it was “unaware of the relevance” of Ms. Martin’s interactions with Overstock.com and her “potential to serve as a witness” until after Petitioner deposed a representative of Overstock.com is unavailing. In its reply in support of its Motion and its response to the Cross-Motion (the “Opposition”), Petitioner now claims that it failed to identify Ms. Martin in its November 2013 Pretrial Disclosures because Petitioner intended to have Overstock.com authenticate the Compilation as a business record and thereafter

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to take Ms. Martin’s deposition because Petitioner, as of January 17, 2014, will have already had the benefit of a 60 day testimony period in this matter.

rely upon the Compilation as evidence of consumer confusion. Petitioner asserts that it only realized the need for testimony from Ms. Martin after Petitioner deposed Overstock.com and concluded it would not be able to authenticate the Compilation as a business record.

However, this new and belated excuse is directly belied by the Summary Judgment Decision. Hurtado Reply Decl., Exhibit B. In the Summary Judgment Decision, the Board held that the Compilation need not be authenticated as a business record pursuant to Fed. R. Evid. 803(6) because it was admissible under the “state of mind” exception to the hearsay rule, embodied in Fed. R. Evid 803(3). The Board went on to state, in no uncertain terms, that the Compilation produced by Overstock.com was “of little probative value in the absence of testimony from the customers themselves as to whether they were confused and, if so, what caused their confusion.” Hurtado Reply Decl., Ex. A at page 12.

Given this plain statement from the Board, Petitioner undeniably knew no later than May 13, 2013, when the Board issued the Summary Judgment Decision, that it needed to elicit testimony from the customers themselves as to whether they were confused and, if so, why they were confused. Furthermore, discovery was subsequently reopened in the proceeding and Petitioner could have amended its initial disclosures and deposed Ms. Martin during that time. Accordingly, Petitioner’s latest explanation for its failure to disclose Ms. Martin in its Pretrial Disclosures, which were served more than five months after the date of the Summary Judgment Decision, is no more truthful or plausible than its initial explanation.

A balancing of the Great Seats factors establishes that Petitioner’s failure to disclose Ms. Martin in its Pretrial Disclosure or in supplemental Initial Disclosures was not substantially justified or harmless. The surprise and resultant prejudice to Registrant is clear. As such, the Cross-Motion should be granted.

## **II. Each Of The Cases Relied Upon By Petitioner Is Distinguishable.**

The cases relied upon by Petitioner in its Opposition are distinguishable and do not support Petitioner's position. In *Galaxy Metal Gear, Inc. v. Direct Access Technology, Inc.*, the witness at issue, while not disclosed in opposer's initial disclosures, was deposed by opposer during the discovery period. 91 U.S.P.Q.2d 1859, 1860-61 (TTAB 2009). Applicant's attorney attended that discovery deposition, cross-examined the witness and had "two more months remaining in the discovery period" to obtain additional discovery relating to the witness, if necessary. *Id.* at 1860. Based upon these facts, the Board concluded that the discovery deposition transcript of the witness could be introduced by Opposer at trial. *Id.* at 1861. Here, Registrant did not have the opportunity to take Ms. Martin's discovery deposition or obtain other discovery concerning Ms. Martin because Registrant had no notice of Petitioner's intent to rely upon Ms. Martin as a witness in this proceeding.

In *Sheetz of Delaware, Inc. v. Doctor's Assocs. Inc.*, the parties stipulated to proceed under ACR and further stipulated that they would not make pretrial disclosures. 108 U.S.P.Q.2d 1341, 1344 (TTAB 2013). The parties in this proceeding have not entered into a stipulation foregoing their respective obligations to serve pretrial disclosures identifying the witnesses upon whom they may rely during their respective testimony periods.

The Board's unreported decision in *Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc.*, Cancellation No. 92050879, dated March 24, 2011, also is unavailing. See Hurtado Reply Decl., Exhibit C. In that proceeding, petitioner identified in its initial disclosures two corporations with discoverable information, without naming particular individuals at those corporations. *Id.* at 12-13. During discovery, petitioner served affidavits from officers of each of the corporations to place registrant on notice of the individuals' identity and the content of

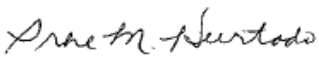
their anticipated testimony. Id. Petitioner named these individuals in its pretrial disclosures and, during its testimony period, petitioner served notices of testimonial depositions for the two individuals. Registrant moved to quash the noticed testimonial depositions, arguing that they were not specifically named in petitioner's initial disclosures. Id. at 1. The Board denied Registrant's motion to quash, finding that there was no prejudice to registrant as a result of petitioner including the individual witnesses in its pretrial disclosures and seeking to take their testimonial depositions. Id. at 13. This case is, on its face, clearly distinguishable from the facts before the Board on the Cross-Motion.

### **CONCLUSION**

In view of the arguments made in Registrant's brief in support of the Cross-Motion and the foregoing arguments, Petitioner's Motion should be denied and Registrant's Cross-Motion should be granted.

Dated: January 17, 2014

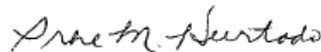
MCCARTER & ENGLISH, LLP  
Attorneys for Registrant  
Sleep Innovations, Inc.

By:   
\_\_\_\_\_  
Scott. S. Christie  
Irene M. Hurtado

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Reply Brief In Further Support of Motion to Quash and the Reply Declaration of Irene M. Hurtado, with Exhibits, was served on counsel for Petitioner by electronic mail and regular mail on the 17th day of January, 2014, as follows:

Amy Sullivan Cahill  
Stites & Harbison PLLC  
400 West Market Street, Suite 1800  
Louisville, KY 40202-3352  
acahill@stites.com



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Irene M. Hurtado

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Registration No. 3,916,902  
For the Mark: BODIPEDIC (& Design)  
Registration Date: February 8, 2011

DAN FOAM APS	)	Cancellation No. 92054201
	)	
Petitioner,	)	
	)	
v.	)	
	)	
SLEEP INNOVATIONS, INC.,	)	
	)	
Registrant.	)	

**REPLY DECLARATION OF IRENE M. HURTADO**

IRENE M. HURTADO, of full age, declares as follows pursuant to 28 U.S.C. §1746:

1. I am an attorney of the State of New Jersey and am an associate at the Firm of McCarter & English, LLP. This Reply Declaration is submitted in further support of Registrant's Cross-Motion to Quash the Notice of Deposition of Jane Martin for failure to disclose Ms. Martin in Petitioner's Pretrial Disclosures and to Suspend Proceedings Pending Disposition of the Motion and Cross-Motion (the "Cross-Motion").

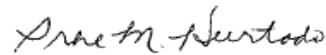
2. Attached hereto as Exhibit A is a true and correct copy of the Board's decision on Petitioner's Motion for Summary Judgment and Registrant's Cross-Motion for Summary Judgment in this proceeding, dated May 13, 2013.

3. On January 7, 2014, counsel for Petitioner advised me that she intended to proceed with the deposition of Jane Martin on January 10, 2014, despite the fact that the Board had not yet ruled on Petitioner's Motion for Leave to Supplement Pretrial Disclosures and Motion to Conduct Deposition Telephonically. That same day, I responded and advised counsel for Petitioner that Registrant objected to the deposition of Ms. Martin and suggested that counsel

jointly call the Interlocutory Attorney assigned to the proceeding. Counsel for Petitioner never responded to that communication. A true and correct copy of the January 7, 2014 email exchange between counsel for Registrant and counsel for Petitioner is attached hereto as Exhibit B.

4. Attached hereto as Exhibit C is a true and correct copy of an unreported Board decision in Alcatraz Media, Inc. v. Chesapeake Marine Tours, Inc., Cancellation No. 92050879, dated March 24, 2011.

Executed this 17th day of January, 2014, in Newark, New Jersey.



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Irene M. Hurtado

# **EXHIBIT A**

**This Decision is a  
Precedent of the TTAB**

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Baxley

Mailed: May 13, 2013

Cancellation No. 92054201

Dan Foam ApS

v.

Sleep Innovations, Inc.

Before Holtzman, Bergsman, and Shaw,  
Administrative Trademark Judges.

By the Board:


Sleep Innovations, Inc. ("respondent") owns a registration for the mark BODIPEDIC and design in the following form, **bodipedic**, for "[m]attress toppers, pillows, [and] mattresses" in International Class 20.<sup>1</sup>

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<sup>1</sup> Registration No. 3916902, issued February 8, 2011, based on an application filed June 24, 2010, and alleging April 2, 2008, as the date of first use anywhere and date of first use in commerce. "Color is not claimed as a feature of the mark. The mark consists of the word "BODIPEDIC" with a stylized silhouette of a person which is above the letters 'IPED'." The registration includes a claim of ownership of Registration No. 3137309.

Registration No. 3137309 is for the mark BODIPEDIC in standard character form for "[m]attress toppers, pillows, chairs and chair cushions" in International Class 20. Section 8 affidavit accepted, Section 15 affidavit acknowledged. Registration Nos. 3137309 and 3916902 both include "[m]attress toppers, [and] pillows" in the identification of goods; however, Registration No. 3137309 includes "chairs and chair cushions," whereas Registration No. 3916902 includes "mattresses," in the identification of goods.

Dan Foam ApS ("petitioner") seeks to cancel respondent's registration on the ground of likelihood of confusion with its registered and previously used mark +TEMPUR-PEDIC and design in the following form,

 **TEMPUR-PEDIC** , for "[s]eating and couching mats in the nature of a pillow or seat liner, pillows, cushions, mattresses, top mattresses, bolsters and chair pads for medical uses" in International Class 10 and "[s]eating and couching mats in the nature of a pillow or seat liner, pillows, cushions, mattresses, top mattresses, bolsters and chair pads" in International Class 20.<sup>2</sup> Respondent, in its answer, denies the salient allegations of the petition to cancel.<sup>3</sup>

This case now comes up for consideration of: (1)  
petitioner's motion (filed August 2, 2012, after the due

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<sup>2</sup> Registration No. 3900919, issued January 4, 2011, based on an application filed May 14, 2007, and alleging May 31, 2007, as the date of first use anywhere and date of first in commerce. "Color is not claimed as a feature of the mark. The mark consists of a female figure on a pillow reclining on top of a cross and the words "TEMPUR-PEDIC." The portion of the mark comprised of a cross design is not displayed in the color red or a colorable imitation thereof; and is not used and will not be used in the color red or a colorable imitation thereof."

<sup>3</sup> Respondent did not plead as an affirmative defense that petitioner cannot be damaged by registration because respondent already owns another registration for the same (or substantially similar) mark and goods or services, which has not been challenged, based on its Registration No. 3137309. See *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 160 USPQ 715 (CCPA 1969).

date for petitioner's pretrial disclosures) for summary judgment; and (2) respondent's cross-motion (filed September 17, 2012) for summary judgment. The motions have been fully briefed.

**PRELIMINARY MATTERS**

Before turning to the cross-motions for summary judgment, the Board addresses two preliminary matters. The first is respondent's contention in its combined brief in response to petitioner's motion for summary judgment and in support of its cross-motion for summary judgment that, pursuant to Fed. R. Civ. P. 45(b)(1), petitioner should be barred from relying upon evidence of actual confusion obtained from Overstock.com, LLC ("Overstock.com") by subpoena *duces tecum* that it submitted in support of petitioner's motion for summary judgment. The second is whether or not such evidence is admissible.

**1. Respondent's request to exclude evidence.**

In particular, respondent contends that, on February 2, 2012, petitioner's attorney served a subpoena *duces tecum* on Overstock.com seeking production of "documents, electronically stored information or objects" without providing prior notice of such service to respondent; that, on February 10, 2012, Overstock.com produced documents responsive to the subpoena; that respondent only became

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aware of the Overstock.com subpoena on February 14, 2012, when petitioner's attorney sent to respondent's attorney the produced documents and a copy of the subpoena; that, instead of taking a discovery deposition of a representative of Overstock.com to authenticate the documents, petitioner, on February 23, 2012, separately obtained a declaration from Krysta Pecharich, the Overstock.com employee to whom the Overstock.com subpoena was directed, which it then submitted as an exhibit in support of the motion for summary judgment for the purpose of authenticating the documents produced pursuant to the subpoena; and that respondent was unaware of such declaration until petitioner relied upon it as an exhibit to its motion for summary judgment. Respondent contends that petitioner failed to comply with Fed. R. Civ. P. 45(b)(1) when it failed to serve notice of the Overstock.com subpoena upon respondent prior to the service of that subpoena upon Overstock.com. In view of petitioner's asserted failure to comply with Rule 45, respondent contends that petitioner should be precluded from relying upon documents produced pursuant to the Overstock.com subpoena.

In response, petitioner contends that respondent waived any right to object to petitioner's "oversight" in

serving the subpoena on respondent until twelve days after its issuance because it failed to raise any objection in the form of a motion to exclude, a motion to quash the subpoena at issue, or a motion for sanctions prior to the June 10, 2012, close of the discovery period;<sup>4</sup> that respondent "was not prejudiced by the *de minimus* (sic) delay" in petitioner's service of the Overstock.com subpoena; and that petitioner had no obligation to produce the declaration of Ms. Pecharich during discovery.

In reply, respondent contends that, because the Board does not prospectively exclude evidence, respondent properly objected to the documents produced pursuant to the subpoena for Overstock.com when it opposed petitioner's motion for summary judgment; and that respondent lacked standing to file a motion to quash the Overstock.com subpoena.

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<sup>4</sup> We are mystified by petitioner's contention that respondent cannot contest petitioner's reliance on the documents because respondent did not file a motion to quash the subpoena. Respondent alleges, and petitioner does not dispute, that the subpoena was not immediately served on respondent, and that respondent was therefore not aware of the Overstock.com subpoena until after Overstock.com had complied therewith. As such, respondent could not move to quash a subpoena which it had no reason to believe existed. We also note that the Board cannot modify or quash a subpoena issued by a district court. See, e.g., *Luehrmann v. Kwik Kopy Corp.*, 2 USPQ2d 1303, 1304 n.3 (TTAB 1987); TBMP Section 404.03(a).

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Federal Rule of Civil Procedure 45(b)(1) states in relevant part that, "[i]f the subpoena commands the production of documents, electronically stored information, or tangible things or the inspection of premises before trial, then before it is served, a notice **must** be served on each party."<sup>5</sup> (emphasis added). The 1991 amendment to Rule 45(b)(1) explains that "[t]he purpose of such notice is to afford other parties an opportunity to object to the production or inspection, or to serve a demand for additional documents or things." Fed. R. Civ. P. 45(b)(1) Advisory Committee Notes.

Courts have sanctioned parties who fail to comply with Rule 45(b)(1). See *Firefighter's Institute for Racial Equality ex rel. Anderson v. City of St. Louis*, 220 F.3d 898 (8<sup>th</sup> Cir. 2000) (improperly served nonparty subpoenas quashed); *Murphy v. Board of Education of the Rochester City School District*, 196 F.R.D. 220 (W.D.N.Y. 2000) (attorneys' fees awarded for repeated violations of Rule 45(b)(1)). Failure to comply with Rule 45(b)(1) does not, however, automatically result in the striking of documents obtained through a subject subpoena. Rather, where a party

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<sup>5</sup> "A subpoena must issue ... for production or inspection, if separate from a subpoena commanding a person's attendance, from the court for the district where the production or inspection is to be made." Fed. R. Civ. P. 45(a)(2)(C).

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has failed to comply with the notice requirements of Rule 45(b)(1), courts have declined to quash subpoenas or to exclude materials where the aggrieved party was not prejudiced by the delay. See *Mazloun v. Dist. of Columbia Metro. Police Dept.*, 530 F. Supp. 2d 282, 285-88 (D.D.C. 2008).

Petitioner's assertion that respondent somehow waived any objection to petitioner's use of documents obtained through the Overstock.com subpoena is not well-taken. Generally, the Board does not entertain motions in limine or otherwise exclude evidence prospectively. See *Greenhouse Systems Inc. v. Carson*, 37 USPQ2d 1748, 1750 (TTAB 1995); TBMP Section 527.01(f) (3d ed. rev. 2012). A party must wait until after the evidence at issue is introduced to file a motion to strike or otherwise object to such evidence. See *id.* Notwithstanding that respondent did not object to documents obtained through the Overstock.com subpoena until seven months after it received copies of those documents, respondent's objection to petitioner's use of documents obtained through the Overstock.com subpoena in its combined brief in opposition to petitioner's motion for summary judgment and in support of its cross-motion for summary judgment is timely.

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Petitioner clearly violated Rule 45(b)(1) by failing to make prior service upon respondent of notice of the Overstock.com subpoena. Nonetheless, the Board finds that respondent was not prejudiced by the violation and that exclusion of documents produced pursuant to that subpoena is therefore unwarranted.

As noted *supra*, when notice regarding a subpoena is provided, "[t]he purpose of such notice is to afford other parties an opportunity to object to the production or inspection, or to serve a demand for additional documents or things." Fed. R. Civ. P. 45(b)(1) Advisory Committee Notes. As to the first of these two possible responses to the service of the subpoena, we note that a motion to quash a subpoena *duces tecum* may only be made by the party to whom the subpoena is directed, except where the party seeking to challenge the subpoena has a personal right or privilege with respect to the subject matter requested in the subpoena. See *In re Grand Jury Subpoena John Doe*, No. 05GJ1318, 584 F.3d 175, 184 n.14 (4th Cir. 2009); *Smith v. Midland Brake, Inc.*, 162 F.R.D. 683, 685 (D. Kan. 1995). See also Fed. R. Civ. P. 45(c)(3)(A)(iii) ("On timely motion, the issuing court must quash or modify a subpoena that ... requires disclosure of privileged or other protected matter, if no exception or waiver applies.").

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Respondent has not alleged such a personal right or privilege and instead concedes that it did not have standing to object to the production of documents pursuant to the Overstock.com subpoena.

As to the second possible response to the service of the subpoena, respondent received copies of documents obtained through the Overstock.com subpoena nearly four months prior to the close of the discovery period. With such documents in its possession, respondent could have sought its own subpoena of Overstock.com to obtain additional documents and/or a discovery deposition of a representative from Overstock.com, but did not so seek. Based on the foregoing, we decline to exclude documents produced pursuant to the Overstock.com subpoena based on the Rule 45(b)(1) violation.

**2. Admissibility of the evidence.**

The documents produced pursuant to the Overstock.com subpoena are supported by a declaration of Krysta Pecharich, paralegal in the Overstock.com legal department, who avers that her responsibilities include responding to subpoenas directed to Overstock.com which request production of documents; that, on February 2, 2012, she received the subpoena from petitioner directing her to gather and produce all customer inquiries regarding any

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BODIPEDIC product including the terms TEMPUR, TEMPER, TEMPUR-PEDIC or TEMPURPEDIC; that, on February 10, 2012, she gathered and produced "the requested documents documents from an established customer inquiry database maintained by Overstock.com;" and that the produced documents are genuine and authentic copies of business records kept in the normal course of Overstock.com's business.

A review of such documents indicates that they are undated transcripts of live online chats and telephone conversations between Overstock.com representatives who are identified only by first names and customers who are mostly unnamed or not identified by their first and last names, upon which petitioner relies as evidence of actual confusion between the marks at issue. The statements in the documents are hearsay because neither the Overstock.com representatives nor the customers [declarants] are testifying in this proceeding, and the statements are offered to prove that the customers are confused because of the similarity of the marks. See Fed. R. Evid. 802.

Further, as pointed out by respondent, they are inadmissible under the records of a regularly conducted activity hearsay exception in Fed. R. Evid. 803(6). Although Ms. Pecharich avers that the requested documents

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are gathered from Overstock.com's established customer inquiry database, she does not aver that making a record of transcripts of customer service online chats and telephone conversations is done in the course of a regularly conducted activity of its business and that making the transcripts at issue was a regular practice of that activity. See Fed. R. Evid. 803(6).

However, although not argued by the parties, the documents are admissible under Fed. R. Evid. 803(1) to the extent that they reflect the present-sense impressions of the customers [declarants]. See *Edom Laboratories Inc. v. Lichter*, 102 USPQ2d 1546, 1552 (TTAB 2012). In addition, statements of customer confusion in the trademark context fall under Fed. R. Evid. 803(3) "state of mind" exception to the hearsay rule.<sup>6</sup> See *Nat'l Rural Electric Cooperative Ass'n V. Suzlon Wind Energy Corp.*, 78 USPQ2d 1881, 1887 n.4 (TTAB 2006) (citing *CCBN.com Inc. v. c-call.com Inc.*, 53 USPQ2d 1132, 1137 (D. Mass. 1999)).

Accordingly, the documents obtained through the Overstock.com subpoena will be considered in this decision.

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<sup>6</sup> To the extent that respondent objects to the Pecharich declaration because petitioner did not produce a copy of that declaration until it included such copy as an exhibit to the motion for summary judgment, we note that parties routinely submit evidence in connection with summary judgments through nonparty witness declarations that were not previously disclosed to their adversaries. See TBMP Section 528.05(b).

However, as noted *supra*, such documents are undated transcripts of live online chats and telephone conversations between Overstock.com representatives who are identified only by first names and customers who are mostly unnamed or incompletely identified. Accordingly, those documents are of little probative value in the absence of testimony from the customers themselves as to whether they were confused and, if so, what caused their confusion. See *Corporate Fitness Programs Inc. v. Weider Health and Fitness Inc.*, 2 USPQ2d 1682, 1690-1 (TTAB 1987) (testimony regarding alleged incidents of third-party confusion is of little probative value in the absence of testimony from the third parties themselves).

**THE PARTIES' CROSS MOTIONS FOR SUMMARY JUDGMENT**

Turning to the cross-motions for summary judgment, a motion for summary judgment is an appropriate method of disposing of cases in which there are no genuine disputes as to any material facts, thus leaving the case to be resolved as a matter of law. See Fed. R. Civ. P. 56(c). In deciding motions for summary judgment, the Board may not resolve issues of material fact; it may only ascertain whether such disputes as to material facts exist. See *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993); *Opryland USA Inc. v. Great*

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*American Music Show Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1992); *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

We note the parties' common use on identical and overlapping goods<sup>7</sup> of marks containing the -PEDIC formative and designs featuring reclining human shapes. Nonetheless, even if we assume, as petitioner argues, that petitioner's mark is famous and that there has been some actual confusion between the marks at issue, we find that neither party has met its burden of establishing that there is no genuine dispute as to any material fact remaining for trial and that, therefore, neither party is entitled to entry of judgment as a matter of law. At a minimum, genuine disputes of material fact exist as to the similarity or dissimilarity of the overall commercial impressions of the marks at issue, the extent of third-party use of similar marks on the same or related goods,<sup>8</sup> and the scope of

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<sup>7</sup> The identifications of goods in the registrations at issue both include "pillows" and "mattresses" in International Class 20. In determining whether or not there is a likelihood of confusion, we must presume that the scope of the goods encompasses all of the goods of the nature and type described, that they would travel in all channels of trade normal for those goods and to all classes of prospective purchasers for those goods. See *Canadian Imperial Bank v. Wells Fargo Bank*, 811 F.2d 1490, 811 F.2d 1490, 1 USPQ2d 1783 (Fed. Cir. 1992); *Tea Board of India v. Republic of Tea Inc.*, 80 USPQ2d 1881, 1897 (TTAB 2006).

<sup>8</sup> Respondent has submitted copies of more than ninety registrations for marks which include -PEDIC and fifteen

protection to which petitioner's pleaded mark is entitled.<sup>9</sup>

In view thereof, petitioner's motion for summary judgment is denied,<sup>10</sup> and respondent's cross-motion for summary judgment is also denied.<sup>11</sup>

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registrations for marks which include designs featuring reclining human shapes, all of which are for goods that overlap with those at issue herein. Such registrations have little probative value in any determination of the merits of petitioner's claim, because they are not evidence that the marks are in use on a commercial scale or that the public has become familiar with them. See *Palm Bay Imports Inc. v. Veuve Clicquot Ponsardin Maison Fondée En 1772*, 396 F.3d 1369, 73 USPQ2d 1689, 1693 (Fed. Cir. 2005) ("The probative value of third-party trademarks depends entirely upon their usage.") (citation omitted); *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 57 USPQ2d 1557, 1561 (Fed. Cir. 2001); *Productos Lacteos Tocumbo S.A. de C.V. v. Paleteria La Michoacana Inc.*, 98 USPQ2d 1921, 1934 (TTAB 2011). Nonetheless, they are sufficient to indicate that there is a genuine dispute as to the extent of third-party use of similar marks on the same or related goods and the scope of protection to which petitioner's pleaded mark is entitled. See *Lloyd's Food Products, Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

<sup>9</sup> The parties should not presume that these are the only issues remaining for trial.

<sup>10</sup> Although the rules provide that parties may file motions for summary judgment until the commencement of trial, in this case, the parties have already filed cross motions for summary judgment. Because judicial economy will no longer be served, the Board will not hear any additional motions for summary judgment.

<sup>11</sup> The parties' evidence in connection with the motions for summary judgment is of record for consideration of these motions only and cannot be relied upon at trial unless it is properly made of record during the offering party's testimony period. See TBMP Section 528.05(a)(1). In the alternative, should the parties agree to pursue resolution of the merits of this dispute through some form of Accelerated Case Resolution (ACR), as noted *infra*, they can stipulate that some or all of the summary judgment evidence, as may be appropriate, will be considered of record for trial.

In deciding petitioner's Section 2(d) claim at final hearing, we note that either party may rely on the filing dates of the applications for the registrations at issue, but that, if neither party submits proof of its use prior to filing, priority belongs to the party with the earliest filing date. See, e.g., *Hilson Research Inc. v. Society for Human Resource Management*, 27 USPQ2d 1423, 1428-29 n.13 (TTAB 1993); *Brewski Beer Co. v. Brewski Brothers Inc.*, 47 USPQ2d 1281, 1283-84 (TTAB 1998). Moreover, we note that the identifications of goods in opposer's pleaded registration and applicant's involved application both include "pillows" and "mattresses." As noted *supra*, in determining whether or not there is a likelihood of confusion, we must presume that the scope of the goods encompasses all of the goods of the nature and type described, that they would travel in all channels of trade normal for those goods and to all classes of prospective purchasers for those goods. See *Canadian Imperial Bank v. Wells Fargo Bank*, *supra*. Thus, because the parties' goods are identical in part, the disposition of this case will likely turn on the similarity of the marks and the scope of protection to be accorded each of the involved marks.

Accordingly, this case may be appropriate for a decision on an accelerated case resolution (ACR) record.

**Cancellation No. 92054201**

The parties may wish to consider supplementing their cross-motions for summary judgment and providing the Board with a stipulation allowing the Board to decide disputed issues of fact in a final decision on the merits based on such record. Information concerning use of ACR in Board proceedings is available online at <http://www.uspto.gov/trademarks/process/appeal/index.jsp>.

The parties are allowed until thirty days from the mailing date set forth in this order to file a stipulation to have this proceeding decided by ACR, failing which proceedings will be resumed, commencing with petitioner's testimony period.

Proceedings herein otherwise remain suspended.

# **EXHIBIT B**

## Hurtado, Irene

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**From:** Hurtado, Irene  
**Sent:** Tuesday, January 07, 2014 12:55 PM  
**To:** 'Taube, Mari-Elise'  
**Cc:** Christie, Scott; Popovic, Deborah A.; Trubilla, Lina; Cahill, Amy  
**Subject:** RE: Dan Foam/SI  
**Attachments:** ALEXANDRIA-#314674-v1-BODIPEDIC\_--\_Confidentiality\_Agreement\_for\_Protection\_of\_Overstock\_com\_Informa-c.docx; ALEXANDRIA-#314674-v1-BODIPEDIC\_--\_Confidentiality\_Agreement\_for\_Protection\_of\_Overstock\_com\_Informa-c.docx

Dear Mari-Elise,

I suggest that we jointly call the interlocutory attorney assigned to this matter. We intend to oppose Dan Foam's motion. As you know our opposition is not due by January 10 and the Board will not rule prior to submission of our opposition. In addition, we object to the subpoena and notice of deposition based upon Dan Foam's failure to provide sufficient advance notice of the deposition as required by Rule 45.

Please be reminded that you have an on-going obligation to provide us with copies of all communications with third party witnesses, including but not limited to Ms. Martin and Overstock.com. To date, we have not received copies of any such communications. Please confirm that no such communications exist.

I attach a redline of the confidentiality agreement with respect to Overstock.com reflecting our revisions thereto. I also attach a clean copy incorporating our revisions. You have my permission to file the clean document in the revised form attached. I have inserted my s/ signature.

Regards,  
Irene

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**From:** Taube, Mari-Elise [<mailto:mgates@stites.com>]  
**Sent:** Tuesday, January 07, 2014 10:31 AM  
**To:** Hurtado, Irene  
**Cc:** Christie, Scott; Popovic, Deborah A.; Trubilla, Lina; Cahill, Amy  
**Subject:** Dan Foam/SI

Dear Irene,

As you are aware, we have scheduled the deposition of Jane Martin for Friday, January 10, 2013, at 1:00 p.m. Mountain Time. Because she resides in Arizona, we plan to take the deposition telephonically. I've reattached the Notice of Deposition for your convenience; your hard copy should be arriving by mail today or tomorrow.

Though we have not yet received a ruling from the Board on our Motion to Supplement Pretrial Disclosures and Motion to take a Deposition Telephonically, we hope to have a ruling by Friday. Absent a ruling, we intend to proceed with the deposition.

Best,  
Mari-Elise

**Mari-Elise Taube**

*Attorney*

*Direct: 703-837-3932*

*Mobile: 301-814-4836*

*Fax: 703-518-2952*

*mtaube@stites.com*

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# **EXHIBIT C**

UNITED STATES PATENT AND TRADEMARK OFFICE  
Trademark Trial and Appeal Board  
P.O. Box 1451  
Alexandria, VA 22313-1451

Mailed: March 24, 2011

Cancellation No. 92050879

ALCATRAZ MEDIA, INC.

v.

CHESAPEAKE MARINE TOURS, INC. dba  
WATERMARK CRUISES

Cheryl Butler, Attorney, Trademark Trial and Appeal Board:

On March 23, 2011, at 3:00 p.m. Eastern Time, the parties and the above-identified Board attorney held a telephone conference on respondent's fully briefed motion, filed March 16, 2011, to quash the noticed testimonial depositions of four of petitioner's witnesses. Those witnesses are: KC Summers (identified as an expert witness); Michael Carter; Susan Denis; and George Palmer.

Present on behalf of petitioner was Michelle Tyde. Present on behalf of respondent was H. Jay Spiegel.

Respondent also requested that petitioner's testimony period be suspended pending disposition of the motion to quash. Petitioner requested an expedited ruling so that the scheduled depositions (for which travel has been arranged) may go forward.

**Background**

In accordance with the scheduling order dated December 7, 2009, expert disclosures were due January 5, 2010; the discovery period

closed on February 4, 2010; and petitioner's pretrial disclosures were due March 21, 2010. The following activities took place on the disclosure dates:

- On January 5, 2010, petitioner served a notice that it may retain William D. Neal as an expert witness. Petitioner served Mr. Neal's curriculum vitae, list of publications, list of cases in which Mr. Neal participated, and Mr. Neal's biography. Petitioner did not serve a report. Instead, petitioner informed respondent that it would provide a report if it retained Mr. Neal.
- On March 21, 2010, petitioner served its pretrial disclosures naming several witnesses it believed were likely to testify on behalf of petitioner. Mr. Neal was named as an expert witness. Petitioner stated in the disclosure that it would provide a report as supplementation under Fed. R. Civ. P. 26(e).

Subsequently, petitioner, on April 4, 2010, filed a motion for summary judgment which occasioned suspension of proceedings. Respondent filed a cross motion for summary judgment. The Board denied the cross motions in an order dated November 15, 2010. Proceedings were then resumed, commencing with a reset deadline for petitioner's pretrial disclosures. In accordance with a consented scheduling motion, filed and granted on November 23, 2010, the deadline for petitioner's pretrial disclosures was reset for February 28, 2011 and petitioner's main testimony period opened on March 15, 2011. In the meantime, respondent served supplemental responsive documents on December 9, 2010 and the parties agreed

informally that they "may produce supplemental discovery through January 31, 2011"; and that "[i]f it is not possible to complete [any discovery] depositions by January 31, 2011, due to scheduling issues, the parties agree to permit such depositions to be conducted during their testimony periods." The following activities took place on January 31, 2011 and subsequently thereto:

- On January 31, 2011, petitioner produced additional documents including an affidavit of Susan Denis of Capital City Colonials.
- On January 31, 2011, respondent served supplemental interrogatory responses naming, for the first time, a previously unnamed potential witness.
- On February 4, 2011, respondent amended its initial disclosures to identify the witness named in the supplemental interrogatory responses and another previously unnamed, potential witness.
- On February 23, 2011, petitioner informed respondent that, in view of the additional documents produced and witnesses identified by respondent, petitioner decided to "substitute the expert witness" previously identified with a different expert, KC Summers. Petitioner provided Ms. Summers' resume and further informed respondent that petitioner was in the process of getting a declaration and report.
- On February 28, 2011, petitioner served an expert disclosure naming Ms. Summers, referring to her as a "substitute." Petitioner also served pretrial disclosures which included Ms. Summers (as an expert witness) and Michael Carter of Annapolis Ghost Tours.

- On March 9, 2011, petitioner filed and served a "Notice of Substitute Expert Testimony," and a notice of deposition for March 28, 2011, for Ms. Summers; and a notice of deposition for March 29, 2011 for Michael Carter. (On March 11, 2011, petitioner filed and served an amended notice of deposition for March 28, 2011 for Mr. Carter.)
- On March 15, 2011, the opening day of petitioner's main testimony period, petitioner served an amended pretrial disclosure naming (among others) Susan Denis and George Palmer (the latter of Annapolis Urban Adventures).
- On March 16, 2011, respondent filed its motion to quash the depositions of KC Summers, Michael Carter, Susan Denis, and George Palmer.
- On March 18, 2011, respondent filed an objection to the notice of substitute expert testimony and corresponding notice of deposition.
- On March 21, 2011, petitioner filed and served a combined notice of deposition for March 30, 2011 for Susan Denis and George Palmer; and a revised, combined notice of deposition for March 28, 2011 for KC Summers and Michael Carter.

***The motion to quash***

Even though it is now moot, the Board addressed the status of Mr. Neal to clarify any misunderstanding, and further elaborates here. As the parties are aware, a witness disclosed as an expert must provide a written report. Fed. R. Civ. P. 26(a)(2)(B).

Petitioner's January 5, 2010 expert disclosure of Mr. Neal was deficient because it did not include the required report and the disclosure was not supplemented to provide the report.

Consequently, Mr. Neal would have been considered a consulting witness. Nonetheless, he was timely named and, because respondent never objected to the technical deficiency in the disclosure, respondent waived its right to object, particularly in view of the very long period of time respondent was on notice of petitioner's expert disclosure. That is, recognizing that proceedings were suspended for a long time pending disposition of the cross motions for summary judgment, respondent had more than ample notice to object on the basis of the deficiency, at least upon resumption of proceedings on November 15, 2011 and prior to the opening of petitioner's testimony period, but did not do so. *See for example General Council of the Assemblies of God v. Heritage Music Foundation*, 97 USPQ2d 1890 (TTAB 2011), addressing a situation where the timely served expert disclosures were technically deficient but such deficiencies were cured as soon as they were brought to the disclosing party's attention. Unlike the situation presented here, in *General Council of the Assemblies of God*, the nondisclosing party moved to "strike the expert testimony" (i.e., to exclude the testimony to be proffered) prior to the close of the discovery period.

No further consideration is given to any arguments with respect to Mr. Neal's status.

1. KC Summers

In support of its motion, respondent argues that petitioner's notification of Ms. Summers as an expert is untimely,<sup>1</sup> that petitioner did not move for leave to present testimony by an expert, and that Ms. Summers was not a "substitute" expert.

In response, petitioner argues that, after recently learning of respondent's two new witnesses, and recently learning that a witness identified by respondent all along as having knowledge of the claims and issues in the case was permanently unavailable due to dementia, it decided it needed a different expert witness. Petitioner indicates that it originally contacted over 25 possible experts; that, about January 25, 2011, it believed it had secured an expert witness; that such witness, on February 3, 2011, informed petitioner he was unable to participate and suggested Ms. Summers; that petitioner immediately contacted Ms. Summers, who agreed, on February 23, 2011, to participate, "sending Respondent her written report and publications list"; and that, also on February 23, 2011, petitioner notified respondent that Ms. Summers would be petitioner's expert witness. Petitioner states it served a substitute expert disclosure on February 28, 2011, and included Ms.

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<sup>1</sup> Respondent also argues that, because the parties informally agreed to conduct discovery until January 31, 2011, the deadline for petitioner to name an expert was December 15, 2010. However, as noted earlier, the discovery period closed on February 4, 2010. The parties' informal agreement to conduct additional discovery after the November 15, 2010 order denying the cross motions for summary judgment was simply that - an informal agreement between the parties. The scheduled discovery period closed long ago and was not reopened. Any discovery activities the parties agreed to conduct were completely gratuitous and do not form the basis for any discovery dispute (even if they had been brought to the Board's attention before the opening of the first testimony period.)

Summers in its pretrial disclosures, also served February 28, 2011. Petitioner argues that, starting the week of March 1, 2011, it began communications with respondent in order to schedule Ms. Summers' deposition; that respondent raised no objections to Ms. Summers' testimony and provided dates it would be available; and that, once the parties agreed to a convenient date, petitioner, on March 9, 2011, served its notice of deposition.

Petitioner also indicates that, on March 8, 2011, it received respondent's responses to petitioner's January 31, 2011 written discovery requests; and that respondent stated therein that it "reserves all rights and possible objections regarding evidence to be presented by Alcatraz during its testimony period." Petitioner states that it called respondent on the same day (March 8th), directly asked if there were any specific objections to any of the testimony or witnesses proffered, and was informed that there were no specific objections. Petitioner argues that, thereafter, relying on respondent's position as articulated in the phone conversation, it made travel arrangements for the depositions (including that of Ms. Summers), but a week later, received an email from respondent objecting to Ms. Summers as an expert and threatening to move to exclude her. Petitioner stated it immediately contacted respondent to resolve this matter (and the matter discussed *infra* regarding Mr. Carter) and was "shocked and appalled" by respondent's refusal on this point given that petitioner had worked in good faith with respect to respondent's

December 2010 supplemental document production, in agreeing to the informal discovery period (which was requested by respondent), and in scheduling Ms. Summers' deposition. Petitioner states that it also offered respondent time to depose Ms. Summers.

Petitioner argues that respondent waited until after petitioner's testimony period opened, and witnesses were scheduled, to raise procedural issues that could have been raised earlier, thus prejudicing petitioner. Petitioner argues that, given the three weeks notice to respondent of petitioner's intent to call Ms. Summers as an expert witness, and petitioner's March 8th direct inquiry to respondent, respondent has waived its right to object. Petitioner also states it relied on respondent's actions, and the informal atmosphere under which the parties had been operating, in believing it did not need to seek leave of the Board to name Ms. Summers and, instead, simply notified the Board of the deposition (on March 9th).

Under the circumstances of this case, the Board need not consider whether Ms. Summers is a "substitute" expert for Mr. Neal. The Board's recognizes that there may be situations where a party may decide it needs to present an expert (or change an expert) after the deadline for disclosure. See *Miscellaneous Changes to Trademark Trial and Appeal Board Rules*, 72 Fed. Reg. 42242, 42246 (August 1, 2007). In such cases, the disclosure must be made promptly when the expert is retained and a motion for leave to present testimony by

the expert.<sup>2</sup> *Id.* See also Trademark Rule 2.120(a)(2). The Board will decide on a case-by-case basis how to handle a party's late identification of an expert (or, as here, a different expert). 72 Fed. Reg. at 42246.

During the phone conference, petitioner expressed that it was not its intention to ignore the rules or to disadvantage respondent. Petitioner emphasized again that it notified respondent immediately upon retaining Ms. Summers and offered respondent time to depose Ms. Summers before the testimony period opened.

Respondent cannot be surprised of petitioner's intent to use an expert, having been on notice since March 21, 2010. Petitioner explained the circumstances surrounding the retention of a different expert, Ms. Summers; that petitioner notified respondent the day Ms. Summers was retained; and that, five days later, petitioner served a new expert disclosure on the same day petitioner served its pretrial disclosure, also naming Ms. Summers. All this occurred prior to the opening of the first testimony period, as did petitioner's direct inquiry on March 8, 2011, asking whether respondent had any objection to any of the witnesses, and as did the parties' communications to set the schedule for the witness. Thus, petitioner, apparently believing the parties were cooperating towards trial, made a proactive inquiry, and further understood (albeit mistakenly) it did not need to seek leave of the Board with

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<sup>2</sup> There is no doubt that petitioner at least promptly notified respondent of its intent to use Ms. Summers.

respect to the newly retained expert. It was not until a week later that respondent first indicated its objection to the expert testimony. Even at that time, petitioner offered respondent an opportunity to depose the witness, which respondent apparently declined.<sup>3</sup>

In view of respondent's knowledge since February 23, 2011 of petitioner's intent to call Ms. Summers as an expert, the March 8, 2011 direct inquiry to respondent about any potential objections to the witness(es), the communications the week of March 1, 2011 to schedule mutually agreeable dates for the depositions, and petitioner's willingness to provide time before the main testimony period opened for respondent to depose Ms. Summers, it is entirely unclear why respondent chose to wait until the day the testimony period opened to object to her testimony. Respondent is technically correct that petitioner should have filed a motion with the Board for leave to take the testimony of the new expert. Petitioner so recognizes, even though petitioner relied on the informal environment fostered by the parties' activities in mistakenly believing that it did not have to do so in this case. However, respondent is not without fault here and takes some responsibility

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<sup>3</sup> As discussed in the conference, a motion to quash is preferable to a motion to strike the testimony after taken because, where granted, it saves the parties the time and expense associated with a deposition. However, respondent never explained why, despite the ample notice given and earlier opportunities to object, it waited until after petitioner's testimony period opened to voice its objection. As noted early, this is in stark contrast to the facts of *General Council for the Assemblies of God, supra*, where the nondisclosing party moved to "strike the expert testimony" (i.e., exclude the testimony to be proffered) very quickly after the disclosure was served.

because, notwithstanding the February 23rd notification, the February 28th expert and pretrial disclosures, the activities of the week of March 1 to schedule depositions (including that of Ms. Summers), the March 8th direct inquiry, and petitioner's offers to allow time for respondent to depose the witness before the testimony, respondent waited until after the testimony period opened to object. This timing was extremely prejudicial to petitioner and, in view of what transpired in the few weeks before, can only be considered deliberate.

During the course of the conference, petitioner again offered to make Ms. Summers available for deposition before the testimonial deposition. In the interest of compromise, the Board asked respondent if there was a solution here. However, respondent simply insisted on its position that proceedings should be suspended and respondent be allowed thirty days to conduct discovery with respect to Ms. Summers.

Under these very fact-intensive circumstances, the Board finds that respondent waived its right to object to the expert testimony on the bases that it is untimely and that petitioner failed to seek leave of the Board.<sup>4</sup> Accordingly, respondent's motion to quash the

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<sup>4</sup> As discussed in the conference as "lessons learned," the better practice for petitioner would have been to file motion for leave to use the newly retained expert and to seek to suspend proceedings pending resolution of the matter. Trademark Rule 2.120(a)(2). However, parties often agree to matters outside the Board's presence to streamline progress towards trial (or settlement), as the parties did here with respect to their "informal discovery."

expert testimony of Ms. Summers, scheduled for March 28, 2011, is denied.<sup>5</sup>

2. The third-party witnesses

*Michael Carter*

In support of its motion, respondent argues that petitioner, in its December 30, 2009 responses to respondent's written discovery requests, identified its awareness of the business Annapolis Ghost Tours. Respondent notes that petitioner did not identify Mr. Carter, an official with Annapolis Ghost Tours, by name at that time or at any time before serving pretrial disclosures on February 28, 2011.

In response, petitioner acknowledges that it had been in contact with Mr. Carter during the discovery period and sought Mr. Carter's testimony, but that Mr. Carter indicated he was not sure he would participate in a deposition. Petitioner states it also served respondent with Mr. Carter's signed affidavit to ensure respondent was aware of Mr. Carter's anticipated testimony and alleviate any surprise. Petitioner indicates that the existence of third-party tour operators was made known to respondent during discovery, as was petitioner's attempts to find third-party tour operators who were willing to testify.

As with Ms. Summers, petitioner points out that, the week of March 1, 2010, petitioner and respondent were in communication regarding the scheduling of the deposition and respondent did not

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<sup>5</sup> Respondent's objection to "Notice of Substitute Expert Testimony" is

bring up an objection, that petitioner directly asked respondent on March 8, 2011 whether it had any specific objections to any particular witness and was told there was no specific objection, and that, on March 15, 2011, when respondent first voiced an objection, petitioner offered respondent time to depose Mr. Carter.

Under the circumstances herein, many similar to those discussed above in connection with Ms. Summers, the Board finds respondent is not substantially prejudiced by the specific disclosure of Mr. Carter for the first time with the February 28, 2011 pretrial disclosure.<sup>6</sup>

Accordingly, respondent's motion to quash the testimony of Mr. Carter, noticed for March 28, 2011, is denied.

*Susan Denis*

As with Mr. Carter, respondent argues that petitioner, in its December 30, 2009 responses to respondent's written discovery requests, identified its awareness of the business Capital City Colonials. However, respondent notes, petitioner did not specifically identify Ms. Denis, an official with Capital City Colonials, by name until the last day of the informal discovery period (January 31, 2011), when, among other documents, it served Ms. Denis's affidavit. Respondent states that Ms. Denis was not identified as a witness in petitioner's February 28, 2011 pretrial

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overruled.

<sup>6</sup> The Board notes in passing that respondent also was made aware of Annapolis Ghost Tours in December 2009 and could have sought a Fed. R. Civ. P. 30(b)(6) discovery deposition of this third-party. The issue of third-party use of similar marks and/or related goods and services is not rare in trademark disputes.

disclosures but was identified in petitioner's amended March 15, 2011 pretrial disclosures.

In response, petitioner argues that Ms. Denis was not included in the February 28, 2011 pretrial disclosure because she was reluctant to testify. More specifically, Ms. Denis relayed her concerns of retribution from respondent if she were to testify, particularly as she was trying to sell her company.<sup>7</sup> Petitioner explains that, once the company was sold, Ms. Denis indicated her willingness to testify and petitioner amended its pretrial disclosure to include her as a witness. Petitioner notes that respondent also proffered a new witness after the close of informal discovery to counter the information Ms. Denis's "written testimony," and that, because respondent was served with Ms. Denis's affidavit, respondent cannot be surprised by the anticipated testimony.<sup>8</sup>

Trademark Rule 2.121(e) contemplates the pretrial disclosure of each witness from whom the disclosing party intends to take testimony, or may take testimony if the need arises. Ordinarily, petitioner would have been expected to disclose Ms. Denis (and Mr. Palmer, discussed below), even if petitioner did not take her

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<sup>7</sup> This information is considered by the Board only for the purpose of indicating what petitioner understood from Ms. Denis to be the reason for her hesitation to testify, not for the truth of the statements.

<sup>8</sup> In its reply, respondent, among other things, notes that Ms. Denis appears to have sold her business by February 1, 2011, when the purchaser purportedly took control of the business. Respondent believes petitioner could have named Ms. Denis earlier. However, it appears that Ms. Denis may not have conveyed her willingness to testify to petitioner until later.

deposition. However, given the reason Ms. Denis articulated for not wanting to testify, it is apparent that petitioner did not anticipate her willingness or her availability to testify. Consequently, petitioner's failure to name her in the February 28, 2011 pretrial disclosures is not determinative.<sup>9</sup>

Once Ms. Denis indicated her willingness to testify, petitioner appropriately supplemented its pretrial disclosures. Fed. R. Civ. P. 26(e). In considering the circumstances, the Board finds that surprise to respondent was reduced because respondent was made aware of Ms. Denis when petitioner served documents on January 31, 2011; that any such surprise was alleviated by the nature of the produced document in connection with Ms. Denis (her affidavit which addressed the subjects upon which she may testify); that disruption to Board trials (which are conducted over a 30-day period outside the presence of the Board) is minimal; that petitioner has provided a plausible explanation for failing to name Ms. Denis earlier; and that, given the nature of the claims, Ms. Denis's anticipated testimony may be important to petitioner in the presentation of its case.<sup>10</sup> See *MicroStrategy, Inc. v. Business Objects, S.A.*, 429 F.3d 1344, 1357, 77 USPQ2d 1001 (Fed. Cir. 2005), a case arising out of the Fourth Circuit, applying the factors articulated in *Southern*

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<sup>9</sup> As discussed during the conference under the context of "lessons learned," it is better practice to name all potential witnesses, even if they may not be called or are believed unavailable.

<sup>10</sup> The parties are reminded that the Board does not read the evidence prior to final decision.

*States Rack and Fixture, Inc. v. Sherwin-Williams, Co.*, 318 F.3d 592, 596-97 (4th Cir. 2003). See also Fed. R. Civ. P. 37(c).

Accordingly, respondent's motion to quash testimony of Ms. Denis, scheduled for March 30, 2011, is denied.<sup>11</sup>

*George Palmer*

In support of its motion, respondent argues that Mr. Palmer was never identified in any way before the amended pretrial disclosures served on the first day of the testimony period. Respondent argues that, as a result, it was deprived of an opportunity to depose Mr. Palmer during the discovery period.

In response, petitioner states that it first contacted Mr. Palmer during the informal discovery period;<sup>12</sup> that he indicated his reluctance to testify for the same reason articulated by Ms. Denis; but that he contacted petitioner in mid-March indicating his willingness to testify. Petitioner argues that it promptly notified respondent; and that it sent respondent an affidavit signed by Mr. Palmer to alleviate any surprise or prejudice concerning Mr. Palmer's anticipated testimony.

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<sup>11</sup> The Board notes in passing that, as with Mr. Carter, the company Ms. Denis was previously associated with was named in response to discovery requests. Respondent could have sought at Fed. R. Civ. P. 36(b) deposition of this third-party. Although not determinative here, as discussed in the conference, for decades there was no requirement to disclose fact witnesses in Board proceedings prior to trial and the party's and their attorneys were deftly able to handle such testimonial depositions. Here, of course, petitioner named Ms. Denis in its amended pretrial disclosure.

<sup>12</sup> Thus, Mr. Palmer would not have been known during the scheduled discovery period that closed February 4, 2010. As addressed earlier in this order, the parties' "informal discovery period" was simply an arrangement between the parties.

The Board recognizes that there is surprise to respondent in the naming of Mr. Palmer (and his business) for the first time in petitioner's amended pretrial disclosures. The Board notes that petitioner, too, recognized such surprise and provided respondent with an affidavit from Mr. Palmer concerning his anticipated testimony. The Board believes that the surprise can be further alleviated by limiting Mr. Palmer's testimony to the scope of the matters stated in his affidavit. As with Ms. Denis, the disruption to the trial is minimal; petitioner provided an explanation of why Mr. Palmer was not named as a potential witness earlier; and his anticipated testimony may be important to petitioner in the presentation of its case. *Id.*

Accordingly, respondent's motion to quash testimony of Mr. Palmer, scheduled for March 30, 2011, is denied. However, as noted, Mr. Palmer's testimony is not to exceed the scope of the matters stated in his affidavit.

In view of respondent's immediate expression of belief that the ruling on the motions to quash was incorrect, the Board made it clear in the conference that the scheduled depositions are going forward next week even if respondent were to continue its objections. Respondent was instructed to attend the depositions and, if it chooses not to do so, makes such choice at its own risk.

Notwithstanding this order, respondent, several hours after the conference was adjourned, and before this order issued, filed a motion to suspend proceedings so that respondent could file a

petition to the Commissioner "within thirty days from the issuance" of this order.<sup>13</sup> Respondent's motion can only be construed as a means of contravening the Board's direct order with respect to the depositions and is denied. As respondent recognizes, the mere filing of a petition to the Commissioner does not act as a stay of the Board proceeding. See TBMP § 510.03(a) (2d ed. rev. 2004).

The Board's 2007 adoption of a disclosure model was not meant to provide opportunities for one party to find procedural deficiencies or technical failures upon which to obtain an advantage over its adversary. Instead, the adoption of a disclosure model was intended to provide an orderly administration of the proceeding as it moves toward trial. More particularly, for cases that do not settle, disclosure practices have been found to promote a greater exchange of information, leading to increased fairness and a greater likelihood that cases eventually decided on their merits are determined on a fairly created record. *General Council of the Assemblies of God*, 97 USPQ2d 1890, 1893. The Board has been mindful of this policy in making its determinations herein. The Board also expects the parties to be mindful of this policy and work together to resolve disputes over disclosures, particularly those, which, if brought up early, would diminish or eliminate hardship or prejudice to either side; which may be easily cured; or for which a consented extension of the schedule may reduce any disadvantage to either

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<sup>13</sup> The Board is perplexed by respondent's repeated and insistent apparent desire to have this proceeding suspended, particularly in view of the directive herein with respect to attendance at the scheduled depositions.

party. Indeed, both parties expressed their desire to avoid using the disclosure model to seek unfair procedural or technical advantages (i.e. "gotcha" situations). Situations where unfair procedural or technical defaults exist occur when a party either purposely fails to abide by the disclosure rules or purposely delays objecting.

Dates otherwise remain as set and are copied below:

Plaintiff's 30-day Trial Period Ends :	04/14/2011
Defendant's Pretrial Disclosures :	04/29/2011
Defendant's 30-day Trial Period Ends :	06/13/2011
Plaintiff's Rebuttal Disclosures :	06/28/2011
Plaintiff's 15-day Rebuttal Period Ends :	07/28/2011

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.

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